

AMENDED IN SENATE AUGUST 18, 2015
AMENDED IN ASSEMBLY JUNE 1, 2015
AMENDED IN ASSEMBLY APRIL 20, 2015
AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 787

Introduced by Assembly Member Roger Hernández
(Coauthor: Assembly Member Gonzalez)

February 25, 2015

An act to ~~amend~~ *amend, repeal, and add* Section 47604 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 787, as amended, Roger Hernández. Charter schools: operation: nonprofit public benefit ~~corporations~~: *corporations: for-profit corporation prohibition*.

Existing law, the Charter Schools Act of 1992, authorizes a charter school to elect to operate as, or be operated by, a nonprofit public benefit corporation, as specified.

This bill ~~would~~ *would, commencing January 1, 2017*, prohibit a charter school from operating as, or being operated by, a for-profit corporation.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 47604 of the Education Code is amended to read:

47604. (a) A charter school may elect to operate as, or be operated by, a nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code).

(b) An authority that grants a charter for the establishment of a charter school formed and organized pursuant to this section shall be entitled to a single representative on the board of directors of the nonprofit public benefit corporation.

~~(c) A charter school shall not operate as, or be operated by, a for-profit corporation.~~

~~(d)~~

(c) An authority that grants a charter to a charter school to be operated by, or as, a nonprofit public benefit corporation is not liable for the debts or obligations of the charter school, or for claims arising from the performance of acts, errors, or omissions by the charter school, if the authority has complied with all oversight responsibilities required by law, including, but not limited to, those required by Section 47604.32 and subdivision (m) of Section 47605.

(d) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.

SEC. 2. Section 47604 is added to the Education Code, to read:

47604. (a) A charter school may elect to operate as, or be operated by, a nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code).

(b) An authority that grants a charter for the establishment of a charter school formed and organized pursuant to this section shall be entitled to a single representative on the board of directors of the nonprofit public benefit corporation.

(c) A charter school shall not operate as, or be operated by, a for-profit corporation.

- 1 (d) *An authority that grants a charter to a charter school to be*
2 *operated by, or as, a nonprofit public benefit corporation is not*
3 *liable for the debts or obligations of the charter school, or for*
4 *claims arising from the performance of acts, errors, or omissions*
5 *by the charter school, if the authority has complied with all*
6 *oversight responsibilities required by law, including, but not limited*
7 *to, those required by Section 47604.32 and subdivision (m) of*
8 *Section 47605.*
9 (e) *This section shall become operative January 1, 2017.*

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